

State Board of Nursing

	FY 2020 ACTUAL	FY 2021 ESTIMATE	FY 2022 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	48.5	48.5	48.5
Personal Services	2,542,000	2,762,400	2,762,400
Employee Related Expenditures	907,600	1,001,200	1,001,200
Professional and Outside Services	188,300	213,300	213,300
Travel - In State	4,700	4,700	4,700
Travel - Out of State	2,100	2,100	2,100
Other Operating Expenditures	309,200	339,500	339,500
Equipment	65,900	65,900	65,900
OPERATING SUBTOTAL	4,019,800	4,389,100	4,389,100
SPECIAL LINE ITEMS			
Certified Nursing Assistant Credentialing Program	499,400	538,400	538,400
AGENCY TOTAL	4,519,200	4,927,500	4,927,500 ^{1/}

FUND SOURCES

Other Appropriated Funds

Board of Nursing Fund	4,519,200	4,927,500	4,927,500
SUBTOTAL - Other Appropriated Funds	4,519,200	4,927,500	4,927,500
SUBTOTAL - Appropriated Funds	4,519,200	4,927,500	4,927,500
Federal Funds	414,700	414,700	414,700
TOTAL - ALL SOURCES	4,933,900	5,342,200	5,342,200

AGENCY DESCRIPTION — The board licenses, regulates, conducts examinations and approves educational programs for nurses and nurse aides.

FOOTNOTES

^{1/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Operating Budget

The Baseline includes \$4,389,100 and 48.5 FTE Positions from the Board of Nursing Fund in FY 2022 for the operating budget. These amounts are unchanged from FY 2021.

Certified Nursing Assistant Credentialing Program

The Baseline includes \$538,400 from the Board of Nursing Fund in FY 2022 for the Certified Nursing Assistant (CNA) Credentialing Program line item. This amount is unchanged from FY 2021.

The board registers CNAs at no charge to the individual and with no fingerprinting requirement. This policy meets federal requirements for having a nurse assistant (aide) registry.

Monies in this line item fund CNA Credentialing Program costs not paid by federal monies.

Other Issues

Large Fund Balances

The JLBC Staff has identified several regulatory agencies as having a large fund balance above \$5,000,000. The Board of Nursing Fund had an ending fund balance of \$7,319,000 at the end of FY 2020, or 162% of their total FY 2020 expenditures of \$4,519,200. Ongoing FY 2021 revenues are projected to be \$7,030,900 in comparison to an FY 2021 appropriation of \$4,927,500. Therefore, the fund balance will likely continue to rise.

The Legislature may consider the following options to address the board's fund balance: 1) allow the agency to retain the current balance; 2) increase the agency's

spending authority to spend down a portion of the balance; 3) require the agency to adopt a fee holiday to limit revenue collections for a period of time; and/or 4) transfer a portion of the fund balance to the General Fund.

In FY 2021, the board requested \$62,900 and 1 FTE Position from the Board of Nursing Fund for a legal secretary. The FY 2021 Executive Budget subsequently included \$513,600 and 6 FTE Positions from the Board of Nursing Fund for investigators, professional consultants, and legal secretaries. The board did not receive any additional funding in the FY 2021 budget. In FY 2022, the board is requesting \$342,000 and 3.5 FTE Positions. This proposal would not significantly reduce the fund balance.

Additionally, Executive Order 2020-17 instructed regulatory agencies to waive licensing fees at their discretion due to the impacts of COVID-19. This executive order is up for review every 2 weeks and is currently still in effect. The board has not provided information on whether they plan to implement a fee moratorium.

In FY 2008 and FY 2009, the budget transferred a portion of regulatory board fund balances to the General Fund. The affiliated professional associations filed a lawsuit against the state to recover the transferred funds. The case was ruled in favor of the state in the Superior Court and Court of Appeals. The Supreme Court declined to hear the case.

SUMMARY OF FUNDS	FY 2020 Actual	FY 2021 Estimate
Board of Nursing Fund (BNA2044/A.R.S. § 32-1611)		Appropriated
Source of Revenue: Monies collected by the board from the examination and licensing of nurses. The board retains 90% of these monies and deposits 10% in the General Fund.		
Purpose of Fund: To examine, license, investigate, and regulate nurses, and for board administration. Monies from the fund are also used to pay for the administrative and testing costs of the Nursing Aide Registration program. The program is mandated by the federal government and is funded through the Nursing Aide Training and Registration Fund, a non-appropriated subaccount of the Board of Nursing Fund.		
Funds Expended	4,519,200	4,927,500
Year-End Fund Balance	7,319,000	9,422,400
Nurse Aide Training and Registration (BNA2000/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Federal monies passed through from the Department of Health Services (Medicare) and AHCCCS (Title XIX Medicaid), facility payments, and nurse aide fees.		
Purpose of Fund: To pay for the administrative and testing costs of the Nurse Aide Registration program as mandated by the federal government.		
Funds Expended	414,700	414,700
Year-End Fund Balance	0	0
Statewide Donations Fund (BNA2025/A.R.S. § 32-1606A11)		Non-Appropriated
Source of Revenue: Donations, gifts and private grants. Monies do not revert to the General Fund at the end of the fiscal year.		
Purpose of Fund: To assist in carrying out the purposes of the agency.		
Funds Expended	0	0
Year-End Fund Balance	24,500	24,500